

THE BOARD OF COMMISSIONERS OF THE COUNTY OF CRAVEN MET IN REGULAR SESSION IN THE COMMISSIONERS’ ROOM OF THE CRAVEN COUNTY ADMINISTRATION BUILDING, 406 CRAVEN STREET, NEW BERN, NORTH CAROLINA ON MONDAY, FEBRUARY 2, 2004. THE MEETING CONVENED AT 7:00 P.M.

MEMBERS PRESENT:

- Chairman George N. Brown, Jr.
- Vice Chairman Leon C. Staton
- Commissioner Lee Kyle Allen
- Commissioner Bill Harper
- Commissioner Perry Morris
- Commissioner Johnnie Sampson, Jr.
- Commissioner M. Renée Sisk

STAFF PRESENT:

- Harold Blizzard, County Manager
- George B. Sawyer, Assistant County Manager
- Richard F. Hemphill, County Finance Officer
- Gwendolyn M. Bryan, Clerk to the Board
- James R. Sugg, County Attorney

Following an invocation by Commissioner Sampson and the Pledge of Allegiance, Commissioner Staton moved to approve minutes of January 20, 2004, seconded by Commissioner Sampson and unanimously carried.

CONSENT AGENDA

At the recommendation of the County Manager, Commissioner Staton moved to remove one item from the consent agenda relative to a leasing agreement for flood buyout properties, as well as one budget amendment in the amount of \$13,639 for equipment costs at the new central maintenance garage. Commissioner Sampson seconded the motion to remove these items from the consent agenda until a later date.

Budget Amendments

Craven County Finance Officer, Rick Hemphill, submitted the following budget amendments for the Board’s approval. Commissioner Morris moved for their approval, seconded by Commissioner Staton and unanimously carried in a roll call vote.

Health/WIC Education Breast Feeding Promotion

REVENUES	AMOUNT	EXPENDITURES	AMOUNT
101-6021-349.06-00	\$ 6,094.00	101-6021-440.27-00	\$ 3,000.00
Breast Feeding Promotion		Advertising	
		101-6021-440.32-40	\$ 3,094.00
		Other Supplies	
TOTAL	\$ 6,094.00	TOTAL	\$ 6,094.00

Justification: Additional revenue from State WIC office. Cost per participant increased by \$1.70 per participant. A minimum of \$6,094 was mandated to be used for breast feeding promotion.

Health/WIC Education

101-6020-349.13-00	\$ 2,500.00	101-6020-440.25-00	\$ 1,500.00
WIC Education		Travel	
		101-6020-440.32-40	\$ 1,000.00

		Other Supplies	
TOTAL	\$ 2,500.00	TOTAL	\$ 2,500.00

Justification: Additional state revenue resulting from cost per WIC participant being increased to \$11.50 per participant (\$1.70 increase per participant) per month.

Health/General Admin

101-6011-349.07-00	\$ 1,500.00	101-6011-440.20-00	\$ 500.00
WIC General Admin		Postage	
		101-6011-440.22-00	\$ 500.00
		Telephone	
		101-6011-440.23-00	\$ 500.00
		Utilities	
TOTAL	\$ 1,500.00	TOTAL	\$ 1,500.00

Justification: Additional state revenue resulting from cost per WIC participant being increased to \$11.50 per participant (\$1.70 increase per participant) per month.

Health/WIC Client Services

101-6010-349-03-00	\$ 23,107.00	101-6010-440.15-15	\$ 200.00
WIC Client Services		Dues/Script.	
		101-6010-440.25-00	\$ 350.00
		Travel	
		101-6010-440.32-01	\$ 800.00
		Office Supplies	
		101-6010-440.32-08	\$ 200.00
		Medical Supplies	
		101-6010-440.32-40	\$ 16,557.00
		Other Supplies	
		101-6010-440.40-00	\$ 5,000.00
		Cont. Services	
TOTAL	\$ 23,107.00	TOTAL	\$ 23,107.00

Justification: Additional state revenue resulting from cost per WIC participant being increased to \$11.50 per participant (\$1.70 increase per participant) per month.

Schools Debt Service

275-0000-399-00	\$ 2,500.00	275-8500-493-80-31	\$ 2,500.00
Fund Balance		Fees	
TOTAL	\$ 2,500.00	TOTAL	\$ 2,500.00

Justification: Audit costs for FY 2004.

Inspections

101-2401-355-09-00	\$ 2,925.00	101-2401-410-45-04	\$ 2,880.00
Homeowners Recovery		Homeowners Recovery	
101-2401-399-01-00	\$ (45.00)		
Fund Balance			
TOTAL	\$ 2,880.00	TOTAL	\$ 2,880.00

Justification: Revenue is exceeding amount budgeted. A portion (90%) needs to be sent to the State with the balance remaining in Craven County. Fund balance will receive a credit of \$45.

	Revenue	Expense
Original Budget	\$ 1,275	\$ 900
Estimated	\$ 4,200	*90% \$ 2,505
B/A	\$ 2,925	\$ 2,880

Pass Through

101-0564-377-04-00	\$ 4.00	101-0564-450-91-36	\$ 4.00
Silver Crimes		Silver Crimes	
TOTAL	\$ 4.00	TOTAL	\$ 4.00

Justification: Close out amount (\$3,752.77) exceeded budgeted amount (\$3,749.00)

Court Facilities

101-0000-399-01-00	\$ 600,000	101-1301-400-73-14	\$ 600,000
Fund Balance		C/O-Purchase of Sugg Office Bldg.	
TOTAL	\$ 600,000	TOTAL	\$ 600,000

Justification: Appropriate funds to purchase Sugg Bldg.

Public Buildings

101-0000-399-01-00	\$ 1,100.00	101-1201-400-21-12	\$ 1,100.00
Fund Balance		Pollock St. Parking	
TOTAL	\$ 1,100.00	TOTAL	\$ 1,100.00

Justification: Employee parking from City of New Bern 11 spaces @ \$20.00 each for February, March, April, May and June 2004.

Subdivisions and Mobile Home Park for Approval

Craven County Planning Director, Don Baumgardner, submitted the following subdivisions and mobile home park for the Board’s approval. Commissioner Morris moved for their approval, seconded by Commissioner Staton and unanimously carried in a roll call vote.

Bridge Pointe Harbour Phase Two – Final: The property, owned by Bridge Pointe, Inc. and surveyed by Brad Suitt, is located within Twp 7 off of SR 1171 (Howell Road). The subdivision contains 5 lots on 4.50 acres and is proposed to be served by community water and individual septic systems. The Planning Board reviewed and recommended the subdivision for final approval.

Winn Circle Estates Mobile Home Park – Final: The property, owned by Mary Lou Gaskins and surveyed by Kendall Gaskins, is located within Twp 1 off of SR 1436 (Winn Circle). The park contains 14 lots on 5.28 acres and is proposed to be served by community water and individual septic systems. The Planning Board recommended the park for final approval.

White Horse Run, Section 3-D – Final: The property, owned by Cherry Branch, Ltd, and engineered by Thomas Engineering, is located within Twp 5 off of NC Hwy 306. The subdivision contains 15 lots on 14.50 acres and is proposed to be served by community

water and individual septic systems. The Planning Board reviewed and recommended the subdivision for final approval.

Forest Run Phase 4, Section 2 – Final: The property, owned by H&W Investments and engineered by Thomas Engineering, is located within Twp 7 off Hwy 70E. The subdivision contains 17 lots on 7.85 acres and is proposed to be served by community water and sewer. The Planning Board reviewed and recommended the subdivision for final approval.

Hunters Ridge Phase 5 – Final: The property, owned by Robert E. Dunn, Sr., and engineered by Thomas Engineering, is located within Twp 7 off of SR 1144 (Perrytown Loop Rd). The subdivision contains 36 lots on 16.35 acres and is proposed to be served by community water and individual septic systems. The Planning Board reviewed and recommended the subdivision for final approval.

The Home Place Estates Section I – Final: The property, owned by Weyerhaeuser and engineered by Thomas Engineering, is located within Twp 7 off of SR 1004 (Brices Creek Rd). The subdivision contains 11 lots on 55.97 acres of land. The lots are proposed to be served by community water and individual septic systems. The Planning Board reviewed and recommended the subdivision for final approval.

Tax Releases and Refunds

Craven County Tax Administrator, Ronnie Antry, submitted the following tax releases and refunds for the Board’s approval. Commissioner Morris moved for their approval, seconded by Commissioner Staton and unanimously carried in a roll call vote.

Credits

TAXPAYER NAME	TICKET#	AMOUNT
ANDERSON, JOSHUA WAYNE EXEMPT – LOCATED ON MILITARY PROPERTY	2003-0091367	\$ 214.73
ANDERSON, JOSHUA WAYNE EXEMPT – LOCATED ON MILITARY PROPERTY	2003-0091428	\$ 235.34
BLACKWELL, DEXTER INCORRECT SITUS – SHOULD BE LENOIR CO.	2003-0091379	\$ 594.69
BLACKWELL, DEXTER INCORRECT SITUS – SHOULD BE LENOIR CO.	2003-0091435	\$ 493.54
CAMPBELL, SHATINE DOUBLE LISTED ON ACCT # 40657	2003-0091384	\$ 185.85
CAMPBELL, SHATINE DOUBLE LISTED ON ACCT # 40657	2003-0091439	\$ 214.60
CARTER, FLORENCE W VACANT PROPERTY	2003-0008266	\$ 32.64
EDWARDS, SHIRLEY T DOUBLE LISTED WITH ACCT #29503	2003-0015107	\$ 218.01
ENC WOODMEN YOUTH CAMP INC ORDERED BY BOARD OF E & R	2003-0091337	\$ 2,528.23

ENC WOODMEN YOUTH CAMP INC ORDER BY THE BOARD OF E & R	2003-0091338	\$ 204.30
FEGERS, PETER & MARGARET INCORRECT SITUS – SHOULD BE WAKE CO.	2003-0016142	\$ 5.97
FEGERS, PETER & MARGARET INCORRECT SITUS – SHOUDL BE WAKE CO.	2003-0016141	\$ 344.58
GRAY, SHIRLEY ALILEEN MOBLEY VACANT PROPERTY	2003-0020269	\$ 32.64
HARGETT, GREGORY F & DAPHENEE VACANT PROPERTY	2003-0021867	\$ 32.64
HUKINS, MABRY HRS VACANT PROPERTY	2003-0025227	\$ 32.00
JONES POTTS MUSIC COMPANY INC NOT IN BUSINESS 1/1/2003	2003-0090548	\$.82
JONES, KIMBERLY SHARELLE DID NOT OWN 1/1/2003	2003-0027477	\$ 143.11
LANCASTER, DANNY E VACANT PROPERTY	2003-0029533	\$ 32.64
LANCASTER, ELLEN WIGGINS VACANT PROPERTY	2003-0029535	\$ 97.92
LONG, LONNIE ALBERT & GLENDA F DOUBLE BILLED ON SAME ACCT.	2003-0091079	\$ 274.04
POWLES, VICKY G DOUBLE LISTED ON ACCT 30417 AS REAL	2003-0040674	\$ 39.43
RIVERS, BISHOP SINGLETON VACANT PROPERTY	2003-0042783	\$ 65.28
SEWELL, TOBE D NOT LOCATED IN CRAVEN CO ON 1/1/03	2003-0045167	\$ 28.04
TYRE, RHONDA DOUBLE LISTED ON ACCT #39303	2003-0051205	\$ 179.60
WARD, ANGELA DALE DOUBLE LISTED ON ACCT #25691	2003-0052423	\$ 209.61
WILDER, DAVID & OLIVIA DOUBLE LISTED ON ACCT #25691	2000-0090615	\$ 190.87
WILDER, DAVID & OLIVIA DOUBLE LISTED ON ACCT #25691	2001-0053925	\$ 186.18
WILDER, DAVID & OLIVIA DOUBLE LISTED ON ACCT #25691	2002-0054727	\$ 150.13
WILDER, DAVID & OLIVIA DOUBLE LISTED ON ACCT #25691	2003-0055093	\$ 129.67

29 – CREDIT MEMO (S) \$ 7,097.10

Refunds

ADAMS, MICHAEL B SR DOUBLE BILLED ON ACCT # 25700	2003-0091361	\$ 99.86
LEE, ROBERT E & OPAL H BILLED TO INCORRECT TAXPAYER	2002-0030018	\$ 12.20
LEE, ROBERT E & OPAL H BILLED TO INCORRECT TAXPAYER	2003-0030229	\$ 11.31
PATTERSON, ROLVIX HARLAN JR & INCORRECT SITUS – SHOULD BE 8-T	2003-0039227	\$ 279.05
VIERO, HERBERTO DOUBLE LISTED ON SAME ACCOUNT	2003-0051771	\$ 41.00

5 – REFUND (S) \$ 443.42

FINANCE MATTERS

Audit Presentation

Lou Cannon of McGladrey & Pullen presented the June 30, 2003 Craven County Comprehensive Annual Financial Report, highlighting changes in this year's reporting that are anticipated. He stated that as of June 30, 2003 there were fifty funds in the County that operated as separate companies based on receipts and disbursements for the current year. This will change starting this year to a full accrual method. He introduced the other members of his team, Charles Smith, who reported on the financial results for the year ended June 30, 2003, Brian Dunn and Jerry Cox. The Board was advised that Craven County had received an unqualified opinion, which was the highest and cleanest opinion of the financial operations as of June 30, 2003. It was reported that the current Craven County fund balance is at \$18.9 million, with \$12 million of the amount being unreserved. This is equivalent to 18.80% and represents an increase from 17.83% in 2002. The Board was advised that the minimum fund balance required by the Local Government Commission is 8%, reflective of the cash on hand that would be required for a county to operate for one month. The average for similar size counties is 18.36% and statewide it is 18.22%.

Refunding of 1996 School Bond

Craven County Finance Officer, Rick Hemphill, presented a request that the Board adopt the following resolution to refund all of the callable 1996 school bonds, which mature from June 1, 2007 to June 1, 2017, totaling \$12,380,000. He advised the Board that bonds in the amount of \$13,920,000 will be sold on February 3, 2004 and used to pay the underwriter's fees, bond insurance and other costs of issuance in the amount of \$187,700. The remaining \$13,732,300 will be placed in escrow with BB&T and used to pay the interest on those bonds until 6/01/06 and then pay the principal amount of \$12,380,000. The old bonds, which mature 6/01/04 to 6/01/06, will continue to be paid by the County. He advised that the net present value of savings, as a result of the refunding, is \$731,000. Commissioner Morris moved to adopt the resolution authorizing the Local Government Commission to sell the bonds and authorizing the Chairman, the Clerk and the Finance Officer to execute the bonds and approve the escrow agreement with BB&T. Commissioner Staton seconded the motion, which carried unanimously.

WHEREAS, the bond order hereinafter described has taken effect, and it is desirable to make provision for the issuance of bonds authorized by said bond order;

NOW, THEREFORE, BE IT RESOLVED by the Board of Commissioners of the County of Craven, North Carolina (the "Issuer"), as follows:

1. Pursuant to and in accordance with the refunding bond order adopted by the Board of Commissioners on March 27, 2002 and subject to Section 6 hereof, the Issuer shall issue its bonds of the aggregate principal amount of \$13,920,000. The Bonds shall be designated "Refunding Bonds, Series 2004" (hereinafter referred to as the "Bonds"). The Bonds shall be dated February 1, 2004 and shall bear interest from their date at a rate or rates which shall be hereafter determined upon the public sale thereof and such interest shall be payable on June 1, 2004 and semi-annually thereafter on December 1 and June 1. The Bonds shall mature, subject to adjustment as hereinafter set forth, annually on June 1, as follows:

<u>Year</u>	<u>Principal Amount</u>	<u>Year</u>	<u>Principal Amount</u>
2004	\$185,000	2011	\$1,300,000
2005	245,000	2012	1,270,000
2006	245,000	2013	1,240,000
2007	1,450,000	2014	1,215,000
2008	1,405,000	2015	1,185,000
2009	1,365,000	2016	1,165,000
2010	1,330,000	2017	320,000

Interest will be payable to the registered owners of the Bonds shown on the records of the hereinafter designated Bond Registrar of the Issuer on the record date which shall be the fifteenth day of the calendar month (whether or not a business day) next preceding an interest payment date.

The Bonds shall be deemed to refund the bonds being refunded within the period of usefulness of the capital projects financed by such bonds being refunded.

2. The Bonds will be issued in fully registered form by means of a book entry system with no physical distribution of bond certificates made to the public. One bond certificate for each maturity will be issued to The Depository Trust Company, New York, New York ("DTC"), and immobilized in its custody. The book entry system will evidence ownership of the Bonds in principal amounts of \$5,000 or whole multiples thereof, with transfers of beneficial ownership effected on the records of DTC and its participants pursuant to rules and procedures established by DTC. Interest on the Bonds will be payable at the times stated in the preceding paragraph, and principal of the Bonds will be paid annually on June 1, as set forth in the foregoing maturity schedule, to DTC or its nominee as registered owner of the Bonds. Transfer of principal and interest payments to participants of DTC will be the responsibility of DTC; transfer of principal and interest payments to beneficial owners by participants of DTC will be the responsibility of DTC; transfer of principal and interest payments to beneficial owners by participants of DTC will be the responsibility of such participants and other nominees of beneficial owners. The Issuer will not be responsible or liable for maintaining, supervising or reviewing the records maintained by DTC, its participants or persons acting through such participants.

In the event that (a) DTC determines not to continue to act as securities depository for the Bonds, or (b) the Issuer determines that continuation of the book entry system of evidence and transfer of ownership of the Bonds would adversely affect the interests of

the beneficial owners of the Bonds, the Issuer will discontinue the book entry system with DTC. If the Issuer fails to identify another qualified securities depository to replace DTC, the Issuer will authenticate and deliver replacement Bonds in the form of fully registered certificates.

Each Bond shall bear interest from the interest payment date next preceding the date on which it is authenticated unless it is (a) authenticated upon an interest payment date in which event it shall bear interest from such interest payment date, or (b) authenticated prior to the first interest payment date in which event it shall bear interest from its date; provided, however, that if at the time of authentication interest is in default, such Bond shall bear interest from the date to which interest has been paid.

The principal of and the interest on the Bonds shall be payable in any coin or currency of the United States of America which is legal tender for the payment of public and private debts on the respective dates of payment thereof.

3. The Bonds shall bear the manual or facsimile signatures of the Chairman and the Clerk of the Board of Commissioners of the Issuer and the official seal or a facsimile of the official seal of the Issuer shall be impressed or imprinted, as the case may be, on the Bonds.

The certificate of the Local Government Commission of North Carolina to be endorsed on all Bonds shall bear the manual or facsimile signature of the Secretary of said Commission or of a representative designated by said Secretary and the certificate of authentication of the Bond Registrar to be endorsed on all Bonds shall be manually executed.

In case any officer of the Issuer or the Local Government Commission of North Carolina whose manual or facsimile signature shall appear on any Bonds shall cease to be such officer before the delivery of such Bonds, such manual or facsimile signature shall nevertheless be valid and sufficient for all purposes the same as if he had remained in office until such delivery, and any Bond may bear the manual or facsimile signatures of such persons as at the actual time of the execution of such Bond shall be the proper officers to sign such Bond although at the date of such Bond such persons may not have been such officers.

No Bond shall be valid or become obligatory for any purpose or be entitled to any benefit or security under this resolution until it shall have been authenticated by the execution by the Bond Registrar of the certificate of authentication endorsed thereon.

4. The Bonds and the endorsements thereon shall be in substantially the following form:

NO. R-

\$

United States of America
State of North Carolina

COUNTY OF CRAVEN

REFUNDING BOND, SERIES 2004

INTEREST RATE	MATURITY DATE	DATE OF ORIGINAL ISSUE	CUSIP
	June 1, ____	February 1, 2004	224615

REGISTERED OWNER: CEDE & CO.

PRINCIPAL SUM:

DOLL
ARS

The COUNTY OF CRAVEN (hereinafter referred to as "County"), a county of the State of North Carolina, acknowledges itself indebted and for value received hereby promises to pay to the registered owner named above, on the maturity date specified above, upon surrender hereof, at the office of the Finance Officer of the County (the "Bond Registrar"), the principal sum shown above and to pay to the registered owner hereof, at his address as it appears on the bond registration books of the County, interest on such principal sum from the date of this bond [or from the June 1 or December 1 next preceding the date of authentication to which interest shall have been paid, unless such date of authentication is a June 1 or December 1 to which interest shall have been paid, in which case from such date], such interest to the maturity hereof being payable on June 1, 2004 and semi-annually thereafter on December 1 and June 1 of each year, at the rate per annum specified above, until payment of such principal sum. The interest so payable on any such interest payment date will be paid to the person in whose name this bond is registered at the close of business on the record date for such interest, which shall be the fifteenth day of the calendar month (whether or not a business day) next preceding such interest payment date. Both the principal of and the interest on this bond shall be paid in any coin or currency of the United States of America that is legal tender for the payment of public and private debts on the respective dates of payment thereof.

This bond is issued in accordance with the Registered Public Obligations Act, Chapter 159E of the General Statutes of North Carolina, and pursuant to The Local Government Finance Act of the State of North Carolina, as amended, a bond order adopted by the Board of Commissioners of the County on March 27, 2002 (the "Bond Order") and resolutions adopted by said Board of Commissioners on February 2, 2004 and February 16, 2004 (collectively, the "Resolution") to provide funds, together with other funds of the County, to refund a portion of the County's outstanding School Bonds, Series 1996, dated June 1, 1996.

The bonds will be issued in fully registered form by means of a book entry system with no physical distribution of bond certificates made to the public. One bond certificate for each maturity will be issued to The Depository Trust Company, New York, New York ("DTC") and immobilized in its custody. The book entry system will evidence ownership of the bonds in principal amounts of \$5,000 or whole multiples thereof, with transfers of beneficial ownership effected on the records of DTC and its participants pursuant to rules and procedures established by DTC. Transfer of principal and interest payments to participants of DTC will be the responsibility of DTC; transfer of principal and interest payments to beneficial owners by participants of DTC will be the responsibility of such participants and other nominees of beneficial owners. The County will not be responsible or liable for maintaining, supervising or reviewing the records maintained by DTC, its participants or persons acting through such participants.

The Bond Registrar shall keep at his office the books of said County for the registration and registration of transfer of bonds. The transfer of this bond may be registered only upon such books and as otherwise provided in the Resolution upon the surrender hereof to the Bond Registrar together with an assignment duly executed by the registered owner hereof or his attorney or legal representative in such form as shall be satisfactory to the Bond Registrar. Upon any such registration of transfer, the Bond Registrar shall deliver in exchange for this bond a new bond or bonds, registered in the name of the transferee, of authorized denominations, in an aggregate principal amount equal to the unpaid principal amount of this bond, of the same maturity and bearing interest at the same rate.

Bonds, upon surrender thereof at the office of the Bond Registrar together with an assignment duly executed by the registered owner or his attorney or legal representative in such form as shall be satisfactory to the Bond Registrar, may, at the option of the

registered owner thereof, be exchanged for an equal aggregate principal amount of registered Bonds of the same maturity, of any denomination or denominations authorized by the Resolution and bearing interest at the same rate.

It is hereby certified and recited that all conditions, acts and things required by the Constitution or statutes of the State of North Carolina to exist, be performed or happen precedent to or in the issuance of this bond, exist, have been performed and have happened, and that the amount of this bond, together with all other indebtedness of the County, is within every debt and other limit prescribed by said Constitution or statutes. The faith and credit of the County are hereby pledged to the punctual payment of the principal of and interest on this bond in accordance with its terms.

This bond shall not be valid or become obligatory for any purpose or be entitled to any benefit or security under the Bond Order or the Resolution mentioned herein until this bond shall have been endorsed by the authorized representative of the Local Government Commission of North Carolina and authenticated by the Bond Registrar.

IN WITNESS WHEREOF, the County has caused this bond [to be manually signed by] [to bear the facsimile signatures of] the Chairman and the Clerk of the Board of Commissioners of the County and [a facsimile of] its official seal to be [imprinted] [impressed] hereon, and this bond to be dated February 1, 2004.

(SEAL)

Chairman,
Board of Commissioners

Clerk,
Board of Commissioners

CERTIFICATE OF LOCAL GOVERNMENT COMMISSION

The issuance of the within bond has been approved under the provisions of The Local Government Bond Act of North Carolina.

Secretary, Local Government
Commission

CERTIFICATE OF AUTHENTICATION

This bond is one of the Bonds of the issue designated herein and issued under the provisions of the within-mentioned bond order and resolution.

COUNTY OF CRAVEN
Finance Officer, as Bond Registrar

By _____
Authorized Signatory

Date of Authentication: _____

ASSIGNMENT

FOR VALUE RECEIVED the undersigned hereby sells, assigns and transfers unto _____, the within Bond and irrevocably appoints _____, attorney-in-fact, to transfer the within Bond on the books kept for registration thereof, with full power of substitution in the premises.

Dated: _____

NOTICE: The signature to this assignment must correspond with the name as it appears upon the face of the within Bond in every particular, without any alteration whatsoever.

Signature Guaranteed:

Notice: Signature must be guaranteed by an institution which is a participant in the Securities Transfer Agent Medallion Program (STAMP) or similar program in accordance with Securities and Exchange Commission Rule 11Ad-15

5. Bonds, upon surrender thereof at the office of the Bond Registrar together with an assignment duly executed by the registered owner or his attorney or legal representative in such form as shall be satisfactory to the Bond Registrar, may, at the option of the registered owner thereof, be exchanged for an equal aggregate principal amount of registered Bonds of the same maturity, of any denomination or denominations authorized by this resolution and bearing interest at the same rate.

The transfer of any Bond may be registered only upon the registration books of the Issuer upon the surrender thereof to the Bond Registrar together with an assignment duly executed by the registered owner or his attorney or legal representative in such form as shall be satisfactory to the Bond Registrar. Upon any such registration of transfer, the Bond Registrar shall authenticate and deliver in exchange for such Bond a new Bond or Bonds, registered in the name of the transferee, of any denomination or denominations authorized by this resolution, in an aggregate principal amount equal to the unpaid principal amount of such Bond so surrendered, of the same maturity and bearing interest at the same rate.

In all cases in which Bonds shall be exchanged or the transfer of Bonds shall be registered hereunder, the Bond Registrar shall authenticate and deliver at the earliest practicable time registered Bonds in accordance with the provisions of this resolution. All Bonds surrendered in any such exchange or registration of transfer shall forthwith be cancelled by the Bond Registrar. The Issuer or the Bond Registrar may make a charge for shipping and out-of-pocket costs for every such exchange or registration of transfer of Bonds sufficient to reimburse it for any tax or other governmental charge required to be paid with respect to such exchange or registration of transfer, but no other charge shall be made for exchanging or registering the transfer of Bonds under this resolution.

As to any Bond, the person in whose name the same shall be registered shall be deemed and regarded as the absolute owner thereof, and the payment of or on account of the principal of any such Bond and the interest on any such Bond shall be made only to or

upon the order of the registered owner thereof or his legal representative as herein provided.

The Issuer shall appoint such registrars, transfer agents, depositaries or other agents and make such other arrangements as may be necessary for the registration, registration of transfer and exchange of Bonds within a reasonable time according to then commercial standards and for the timely payment of principal and interest with respect to the Bonds. The Issuer's Finance Officer is hereby appointed the registrar, transfer agent and paying agent for the Bonds (collectively, the "Bond Registrar"), subject to the right of the governing body of the Issuer to appoint another Bond Registrar, and as such shall keep at his office in New Bern, North Carolina, the books of the Issuer for the registration, registration of transfer, exchange and payment of the Bonds as provided in this resolution.

6. The Local Government Commission of North Carolina is hereby requested to sell the Bonds and to state in the Notice of Sale of the Bonds that bidders may name one rate of interest for part of the Bonds and another rate or rates for the balance of the Bonds. The Bonds shall bear interest at such rate or rates as may be named in the proposal to purchase said Bonds which shall be accepted by the Local Government Commission. The Issuer hereby reserves the right to adjust the aggregate principal amount of the Bonds and the principal amount of each maturity of the Bonds after the opening of bids for the Bonds. The Issuer specifically reserves the right to increase the aggregate principal amount of the Bonds by an amount not to exceed \$750,000 and to decrease the aggregate principal amount of the Bonds by an amount not to exceed \$1,500,000 following the opening of bids. The Issuer also hereby specifically reserves the right to increase or decrease the principal amount of any maturity of the Bonds by an amount not to exceed \$300,000 per maturity following the opening of the bids. In the event of such increase or decrease in the aggregate principal amount of the Bonds, the purchase price of the Bonds (including any premium or discount) will be accordingly increased or decreased by the amount of such increase or decrease.

7. The Chairman of the Board of Commissioners, the Clerk of the Board of Commissioners and the Finance Officer of the Issuer are hereby authorized and directed to cause the Bonds to be prepared and, when they shall have been duly sold by said Local Government Commission, to execute the Bonds and have the Bonds endorsed and authenticated as provided herein and to deliver the Bonds to the purchaser or purchasers to whom they may be sold by said Local Government Commission.

8. The Issuer covenants to do and perform all acts and things permitted by law necessary to assure that interest paid on the Bonds be and remain excluded from gross income of the owners thereof for federal income tax purposes.

9. The Issuer hereby undertakes, for the benefit of the beneficial owners of the Bonds, to provide:

- (a) by not later than seven months from the end of each fiscal year of the Issuer, to each nationally recognized municipal securities information repository ("NRMSIR") and to the state information depository for the State of North Carolina ("SID"), if any, audited financial statements of the Issuer for such fiscal year, if available, prepared in accordance with Section 159-34 of the General Statutes of North Carolina, as it may be amended from time to time, or any successor statute, or, if such audited financial statements of the Issuer are not available by seven months from the end of such fiscal year, unaudited financial statements of the Issuer for such fiscal year to be replaced subsequently by audited financial statements of the Issuer to be delivered within 15 days after such audited financial statements become available for distribution;
- (b) by not later than seven months from the end of each fiscal year of the Issuer, to each NRMSIR, and to the SID, if any, (i) the financial and statistical data as of a date not earlier than the end of such fiscal year for

the type of information included under the heading "The County - Debt Information and - Tax Information" in the Official Statement relating to the Bonds (excluding any information on overlapping or underlying units) and (ii) the combined budget of the Issuer for the current fiscal year, to the extent such items are not included in the audited financial statements referred to in (a) above;

- (c) in a timely manner, to each NRMSIR or to the Municipal Securities Rulemaking Board ("MSRB"), and to the SID, if any, notice of any of the following events with respect to the Bonds, if material:

1. principal and interest payment delinquencies;
2. non-payment related defaults;
3. unscheduled draws on debt service reserves reflecting financial difficulties;
4. unscheduled draws on credit enhancements reflecting financial difficulties;
5. substitution of credit or liquidity providers, or their failure to perform;
6. adverse tax opinions or events affecting the tax-exempt status of the Bonds;
7. modification to the rights of the beneficial owners of the Bonds;
8. bond calls;
9. defeasances;
10. release, substitution or sale of any property securing repayment of the Bonds;
11. rating changes; and

- (d) in a timely manner, to each NRMSIR or to the MSRB, and to the SID, if any, notice of a failure of the Issuer to provide required annual financial information described in (a) or (b) above on or before the date specified.

If the Issuer fails to comply with the undertaking described above, any beneficial owner of the Bonds may take action to protect and enforce the rights of all beneficial owners with respect to such undertaking, including an action for specific performance; provided, however, that failure to comply with such undertaking shall not be an event of default and shall not result in any acceleration of payment of the Bonds. All actions shall be instituted, had and maintained in the manner provided in this paragraph for the benefit of all beneficial owners of the Bonds.

The Issuer reserves the right to modify from time to time the information to be provided to the extent necessary or appropriate in the judgment of the Issuer, provided that any such modification will be done in a manner consistent with Rule 15c2-12 issued under the Securities Exchange Act of 1934, as it may be amended from time to time ("Rule 15c2-12"), and provided further that:

- (a) any such modification may only be made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature, or status of the Issuer;

- (b) the information to be provided, as modified, would have complied with the requirements of Rule 15c2-12 as of the date of the Official Statement relating to the Bonds, after taking into account any amendments or interpretations of Rule 15c2-12, as well as any changes in circumstances; and
- (d) any such modification does not materially impair the interests of the beneficial owners, as determined either by parties unaffiliated with the Issuer (such as bond counsel), or by the approving vote of the registered owners of a majority in principal amount of the Bonds pursuant to the terms of this resolution, as it may be amended from time to time, at the time of the amendment.

Any annual financial information containing modified operating data or financial information shall explain, in narrative form, the reasons for the modification and the impact of the change in the type of operating data or financial information being provided.

The provisions of this Section 9 shall terminate upon payment, or provisions having been made for payment in a manner consistent with Rule 15c2-12, in full of the principal of and interest on all of the Bonds.

10. The blanket Letter of Representations, as requested by DTC, is hereby approved and confirmed.

11. The Board of Commissioners of the Issuer hereby approves the terms of the Escrow Deposit Agreement by and between the Issuer and Branch Banking and Trust Company substantially in the form presented to the Board (draft of 2/2/04) and hereby authorizes the officers of the Issuer designated therein to execute and deliver the Escrow Deposit Agreement in substantially such form with such changes and insertions as any of such officers shall deem necessary to accomplish the purposes for which the Bonds are being issued, their execution thereof constituting conclusive evidence of such approval.

12. The Preliminary Official Statement dated January 27, 2004, setting forth financial and statistical data in connection with the offering of the Bonds (the "Official Statement") is hereby approved. In connection with this approval, the Board has examined copies of the Official Statement and has, to the extent and in the manner it has deemed necessary, discussed the contents thereof with officers of the Issuer. The Board does hereby recite that, upon its examination and discussions, nothing has come to its attention which would lead it to believe that the Official Statement contains any untrue statement of a material fact or omits to state any material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading. The Chairman of the Board of Commissioners, the County Manager and the Finance Officer of the Issuer are each hereby authorized to approve changes in such Official Statement and to execute such Official Statement, as revised following the sale of the Bonds, for and on behalf of the Issuer.

13. The Chairman of the Board of Commissioners, the County Manager, the Clerk of the Board of Commissioners, the Finance Officer and the other officers of the Issuer are hereby authorized and directed to execute and deliver for and on behalf of the Issuer any and all financing statements, certificates, documents or other papers and to perform any and all acts they may deem necessary or appropriate in order to carry out the intent of this resolution and the matters herein authorized.

SHERIFF'S DEPARTMENT REQUEST

Sergeant Jesse Pittman appeared to present a request on behalf of the Sheriff's Department for pre-application approval of a 23 countywide grant that provides software and a computerized system that will share information regarding criminal suspects. The Board was requested to adopt the following resolution authorizing the Pitt County

Sheriff's Office to enter into a grant agreement on Craven County's behalf and committing 25% local match for the grant for two years. The amount of the grant is \$2,400 total for two years and \$1,200 each year, with the grant providing \$900 and the County providing \$300. Commissioner Staton moved to accept the recommendation of the Sheriff's Department and adopt the following resolution, seconded by Commissioner Sampson and unanimously carried in a roll call vote.

WHEREAS, the Craven County Sheriff's Department has expressed interest in joining an application contract entitled Eastern Carolina P2P.

THEREFORE, NOW BE IT RESOLVED BY THE Craven County Board of Commissioners in open meeting assembled in the County of Craven, North Carolina this the 2nd day of February, 2004, as follows:

1. That the project referenced above is in the best interest of the Governing Body and the general public; and
2. That the Pitt County Sheriff's Office be authorized to file, on behalf of the Governing Body, an application for said project for federal funding in the amount of \$900 to be made to the Governing Body to assist in defraying the cost of the project described in the contract application; and
3. That the Governing Body has formally appropriated the cash contribution of \$300 as required by the project contract.

APPOINTMENTS

Farmers Market Board

The Board considered a deferred request to make an appointment to replace Billy Dunham on the Farmers Market Board. Commissioner Morris nominated Hank Bland. Commissioner Sampson moved to close nominations, seconded by Commissioner Staton and unanimously carried, with Mr. Bland being appointed by acclamation.

Economic Development Commission

The Board received a request from Economic Development Commission Chairman, Dell Ipock, that he be reappointed along with Bill Hartman, Alex Badger, and Joe Thomas. He also requested that the Board waive its requirement relative to term limits to allow him to be reappointed. Commissioner Staton nominated Mr. Hartman, Mr. Badger, Mr. Thomas and Mr. Ipock and moved that nominations be closed and the term limit requirement be waived. Commissioner Sampson seconded the motion, which carried unanimously.

Community Coalition Against Family Violence

The Board entertained a request from the Community Coalition Against Family Violence for the appointment of Margi Thompson and Patricia Fritz. Commissioner Sisk moved to appoint both nominees, seconded by Commissioner Staton and unanimously carried.

TAX DEPARTMENT MATTERS

Report of Unpaid Taxes

Pursuant to NCGS 105-369(a), Craven County Tax Administrator, Ronnie Antry, presented 2003 taxes that remain unpaid in the amount of \$1,485,472.56, which are a lien upon real estate. He advised the Board that this amount is slightly higher than at the

same time last year because the second tax notices, which are usually mailed by mid-January, have not been mailed due to some technical difficulties.

Date for Advertising Liens

Mr. Antry requested that the Board authorize him to advertise tax liens for 2003 in the *Sun Journal* on April 5, 2004, as required by NCGS 105-369(a). Commissioner Sisk moved to authorize Mr. Antry to publish the liens as requested on April 5th in the *Sun Journal*, seconded by Commissioner Sampson and unanimously carried.

COUNTY ATTORNEY'S REPORT

County Attorney, Jim Sugg, advised the Board that he would request a closed session pursuant to NCGS 143-318.11(a) (3) to discuss litigation and consultation with attorney. It was the Board's consensus to defer the closed session until the end of the agenda.

COUNTY MANAGER'S REPORT

Craven County Ratings

Craven County Manager, Harold Blizzard, announced that Craven County was again rated by Standard & Poor's and Moody's, with the Moody's rating remaining at A-1 and the Standard & Poor's rating remaining at A+. He commented that the strong rating is a reflection of the County's sound financial basis and stable outlook for the future.

Request for Joint Meetings

Mr. Blizzard advised the Board that the New Bern Board of Alderman has requested a joint meeting and proposed meeting dates of February 19th or March 3rd. It was the consensus of the Board to explore alternate dates to propose to the Board of Alderman and to determine when the local legislators, who are also invited, would be available.

Mr. Blizzard also advised the Board that the Board of Education had proposed February 23rd, 26th or March 8th for a joint meeting. The consensus of the Board was to accept the meeting date of February 26th at 2:00 p.m. in the Commissioners' room.

Resolution Approving Purchase of 310 Broad Street

Mr. Blizzard stated that the Board had conferred in closed session concerning the acquisition of property at 310 Broad Street, owned by Sumrell Sugg Law Properties. He requested that the Board approve the purchase by adopting the following resolution. Commissioner Harper moved to adopt the resolution, seconded by Commissioner Staton and unanimously carried in a roll call vote. Commissioner Sisk moved to appropriate the funds for the purchase from fund balance, seconded by Commissioner Staton and unanimously carried in a roll call vote. The purchase price of \$600,000 reflects the tax value.

RESOLUTION APPROVING AND AUTHORIZING

PURCHASE OF REAL PROPERTY LOCATED AT

310 BROAD STREET, NEW BERN, NORTH CAROLINA

WHEREAS, Craven County requires additional office space and parking for the efficient administration of the Craven County court system; and,

WHEREAS, Law Properties, a North Carolina general partnership, has offered to Craven County for purchase that certain real property and building located thereon at 310

Broad Street, New Bern, North Carolina (hereinafter “310 Broad Street”), said property being adjacent to the current Craven County Courthouse; and,

WHEREAS, Craven County has determined that the purchase of 310 Broad Street will aid Craven County in the efficient administration of the Craven County court system by providing additional parking and office space.

WHEREAS, after mutual discussions by and among Law Properties and Craven County, Craven County and Law Properties have mutually agreed upon the terms of the purchase of 310 Broad Street, and to those ends Craven County desires to formalize the approval of the purchase of 310 Broad Street in this resolution.

NOW, THEREFORE, BE IT RESOLVED by the Craven County Board of Commissioners as follows:

1. The purchase of that certain property and building located thereon at 310 Broad Street, New Bern, North Carolina for a purchase price of Six Hundred Thousand Dollars (\$600,000.00) from Law Properties (or its general partners, as the case may be) is hereby approved.

2. The Chairman of the Craven County Board of Commissioners, the County Manager, County Finance Officer and Clerk to the Craven County Board of Commissioners are hereby authorized to do any and all acts, including the execution and delivery of documents and disbursement of funds, necessary to complete the purchase of 310 Broad Street.

Done this 2nd day of February, 2004.

Closed Session

At 8:17 p.m. Commissioner Staton moved to go into closed session, as requested, pursuant to NCGS 143-318.11(a) (3) to consult with the County Attorney regarding potential litigation pertaining to the TRS contract and United Senior Services, Inc. bankruptcy. Commissioner Sisk seconded the motion, which carried unanimously.

At 8:55 p.m. the Board returned to regular session by motion of Commissioner Staton, seconded by Commissioner Morris. County Attorney, Jim Sugg, announced that the Board had talked about matters pertaining to the TRS contract and the United Senior Services, Inc. bankruptcy; however, no action had been taken.

COMMISSIONERS' REPORTS

Commissioner Harper requested some research into a community center which has sought financial help from the County; however, he did not specify which center. He asked that the Manager look into previous allocations to the center, as well as how block grants are allocated to families relative to the establishment of need.

Commissioner Sampson commented that there are many people in the County who legitimately need help through the block grant program.

Commissioner Sisk announced the efforts of a group which is seeking an increase in the number of North Carolina Symphony performances from one to four in Craven County. She appealed to others who are interested in this effort to contact her.

Commissioner Staton announced that a clean sweep in scheduled for Township 5 in the near future and expressed concern about increased speeding on certain roads in Township 5.

Commissioner Morris commented on recent auditions hosted at West Craven High School for a regional orchestra and named the participants of Craven County Schools who were chosen in these auditions.

Commissioner Morris moved that the County rent spaces for employees who work in the Pollock Street building from the City of New Bern at a cost of \$20 per month, and appropriate \$1,100 from fund balance for the remainder of the year. Commissioner Staton seconded the motion, which carried unanimously in a roll call vote.

Commissioner Allen raised the issue of re-zoning along one side of NC Highway 101 and reminded the Board that it is still pending. He recommended that a meeting be scheduled with the affected landowners. Commissioner Staton advised that he has already been working on setting up such a meeting and asked the County Manager to contact Planning Director, Don Baumgardner, to get the meeting scheduled.

Commissioner Brown introduced the following resolution, which was requested by the Ashe County Board of Commissioners. Commissioner Allen moved for its adoption, seconded by Commissioner Sampson and carried by six (6) “Ayes”, there being one (1) “Nay” from Commissioner Sisk, who stated that she would have preferred having more information concerning the subject of the resolution prior to its adoption, as well as more detail in the resolution.

RESOLUTION
URGING STRONGER PENALTIES FOR THE
MANUFACTURE AND SALE OF METHAMPHETAMINE IN
NORTH CAROLINA

WHEREAS, the use, sale, and manufacture of methamphetamine is escalating in North Carolina; and

WHEREAS, the operation of manufacturing methamphetamine poses extreme danger, not only to children and others who may inhabit the premises, but also constitutes an indirect danger to law enforcement officers, firemen and others who may be called to respond to the consequences of these operations; and

WHEREAS, the availability of methamphetamine drugs needs to be completely eradicated through all means possible.

THEREFORE, BE IT RESOLVED that the Craven County Board of Commissioners urges the North Carolina Legislature to adopt laws that impose stronger penalties for offenders who operate methamphetamine labs, and for the sale and/or offer for sale of methamphetamine.

BE IT FURTHER RESOLVED that the Craven County Board of Commissioners supports efforts to ensure adequate funding to law enforcement agencies for effectively addressing this problem.

Duly adopted this the 2nd day of February, 2004.

At 9:35 p.m. Commissioner Sampson moved to adjourn, seconded by Commissioner Morris and unanimously carried.

Chairman George N. Brown, Jr.
Craven County Board of Commissioners

Gwendolyn M. Bryan, Clerk